

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF APRIL 19, 2006**

REGULAR MEETING

9:00 A.M.

APRIL 19, 2006

PRESENT:

| | | |
|-----------------------|----------------------------------|--------------------------------------|
| COMMISSIONERS: | Paul Biane, Chairman | Mark Nuaimi |
| | Bob Colven, Vice Chairman | Richard P. Pearson |
| | Kimberly Cox | A.R. "Tony" Sedano, Alternate |
| | Dennis Hansberger | Diane Williams |

STAFF:

Kathleen Rollings-McDonald, Executive Officer
Clark H. Alsop, Legal Counsel
Samuel Martinez, LAFCO Analyst
Michael Tuerpe, LAFCO Analyst
Debby Chamberlin, Clerk to the Commission

ABSENT:

COMMISSIONERS:

James V. Curatalo, Alternate
Josie Gonzales, Alternate
Paul J. Luellig Jr., Alternate

REGULAR SESSION - CALL TO ORDER – 9:04 A.M.

Chairman Biane calls the regular session of the Local Agency Formation Commission to order and he leads the flag salute.

Chairman Biane requests those present who are involved with any of the changes of organization to be considered today by the Commission and have made a contribution of more than \$250 within the past twelve months to any member of the Commission to come forward and state for the record their name, the member to whom the contribution has been made, and the matter of consideration with which they are involved. There are none.

INTERVIEW AND SELECTION OF PUBLIC MEMBER OF THE COMMISSION – COMMISSIONER PEARSON RESELECTED

Executive Officer Kathleen Rollings-McDonald states that the interview and selection of the Regular Public Member of the Commission was advertised for today. However, she states that the Commissioners have been presented with a copy of a fax received first thing this morning from Jimmy Melton, the other applicant, who has withdrawn from consideration. She says that Mr. Pearson is the only applicant and the matter is before the Commission for the selection of its Public Member. Chairman Biane asks Mr. Pearson if he would like to say anything before they take care of the formalities.

Mr. Pearson gives a short speech, discussing that they are blessed with a terrific team on this Commission to serve the public. He says he is proud to have served with those on this current Commission and the previous members. He notes that he has served as a City Member and Public Member and says he appreciates the fine efforts by the staff and the other Commission members. He thanks the Commission for its confidence and support.

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Commissioner Williams moves to nominate Mr. Pearson as the Public Member, seconded by Commissioner Colven. Chairman Biane asks if there are any objections to the motion. There being none, he calls for further nominations. There are none and Commissioner Cox moves to close the nominations, seconded by Commissioner Williams. Commissioner Hansberger moves to select Mr. Pearson as the Public Member, seconded by Commissioner Nuaimi. Chairman Biane asks if there are any objections to the motion. There being none, Richard Pearson is selected as the regular Public Member of the Commission by the following vote: Ayes: Biane, Colven, Cox, Hansberger, Nuaimi, Williams. Noes: None. Abstain: Pearson. Absent: None.

APPROVAL OF MINUTES FOR REGULAR MEETING OF MARCH 15, 2006 – MINUTES APPROVED AS PRESENTED

Chairman Biane calls for any corrections, additions, or deletions to the minutes. There are none. Commissioner Pearson moves approval of the minutes as presented, seconded by Commissioner Colven. Chairman Biane calls for a voice vote on the motion and it is as follows: Ayes: Biane, Colven, Cox, Hansberger, Nuaimi, Pearson, Williams. Noes: None. Abstain: None. Absent: None.

CONSENT ITEMS

LAFCO considers the items listed under its consent calendar. The consent calendar consists of:

- (1) approval of the Executive Officer's expense report;
- (2) approval of payments as reconciled for the month of March 2006 and noting cash receipts;
- (3) consideration of four service contracts identified as:

LAFCO SC#270-City of Fontana Irrevocable Agreement to Annex No. 05-00006
For Sewer Service

LAFCO SC#271-City of Montclair Irrevocable Agreement to Annex No. 06-11-I-69
For Sewer Service

LAFCO SC#272-City of Redlands OSC 06-05 for Water Service

LAFCO SC#273-City of San Bernardino Irrevocable Agreement to Annex No. 2006-03
For Sewer Service

- (4) consideration of a request for reduction in filing fees submitted for LAFCO 3054-Sphere of Influence Review (Expansion) for Bighorn-Desert View Water Agency; and
- (5) noting receipt of a proposal initiated by landowner petition—LAFCO 3052-Reorganization to Include Annexations to City of Rialto and West Valley Water District and Detachments from Bloomington Recreation and Park District and Central Valley Fire Protection District (Cactus Investment LLC)

A Travel Claim and Visa Justification for the Executive Officer's expense report, and staff reports outlining staff recommendations for the reconciled payments and each of the other consent items have been prepared and a copy of each is on file in the LAFCO office and is made a part of the record by its reference herein. The four service contracts, the request for reduction in filing fees, and the noting receipt of LAFCO 3052 have been advertised as required by law through publication in The Sun, a newspaper of general circulation in the area. In addition, SC#270 was advertised in the Fontana Herald News; SC#271 was advertised in the Inland Valley Daily Bulletin; and SC#272 was advertised in the Redlands Daily Facts--all local newspapers of general circulation in the areas. Individual mailed notice was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.

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Chairman Biane states that with Commission support, he would like to continue Item 5, LAFCO SC#270, to the May 17 hearing, at the request of County staff. He asks whether there is anyone present today wishing to speak on Item 5. Ms. McDonald notes that the item is a contract for the extension of sewer service by the City of Fontana.

Cecilia Lopez-Henderson, Annexation Program Coordinator for the City of Fontana, says that she is not clear as to why the continuance is being requested. Chairman Biane responds that he had a call from the Planning staff and says he cannot give her any more details. Ms. Henderson says the owner of the parcel is here today and is anxious to move forward with the project. She says the City has been working with the property owner for some time and she is surprised that the County Planning staff has requested a continuance because she thought that all issues had been covered. Chairman Biane comments that he needs to go with his Planning staff's request.

Ms. McDonald notes that a supplemental expense report has been presented this morning for consideration. She also reports that the Commission has been presented this morning with a copy of a letter regarding Item 10 received from the Bloomington Incorporation Commission (BIC), a copy of which is on file in the LAFCO office and is made a part of the record by reference herein. She explains that Item 10 is not a discussion item but is an item only to note that an application initiated by landowner petition, that includes annexation to the West Valley Water District, has been received.

Chairman Biane asks whether there is a motion to approve the consent calendar, with the additional expense report provided by Ms. McDonald, the noting of the receipt of the letter from BIC related to Item 10, and his request for a continuance of Item 5 to May 17. Commissioner Cox moves approval of the consent calendar as clarified by Chairman Biane, seconded by Commissioner Pearson. Chairman Biane calls for any objections to the motion. There being none, the vote is as follows: Ayes: Biane, Colven, Cox, Hansberger, Nuaimi, Pearson, Williams. Noes: None. Abstain: None. Absent: None.

CONTINUED ITEMS

CONTINUED FROM MARCH 15, 2006 – WORKSHOP ITEM – LAFCO 2996-REORGANIZATION TO INCLUDE FORMATION OF HELENDALE COMMUNITY SERVICES DISTRICT AND DISSOLUTION OF COUNTY SERVICE AREA 70 IMPROVEMENT ZONES B AND C – APPROVE STAFF RECOMMENDATION

LAFCO conducts a Workshop Session, continued from March 15, 2006, with the participation of the Helendale Community Services District (hereinafter "Helendale CSD") Task Force members and other interested parties for the Commission to provide direction to staff on the boundary to be utilized in the review process for the proposed formation of the Helendale CSD. Notice of the original Workshop Session on March 15 was advertised as required by law through publication in The Sun and the Victor Valley Daily Press, newspapers of general circulation in the area. Individual mailed notice of this continued session was provided to affected and interested agencies, County departments and those individuals and agencies requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, which includes as an attachment the staff report for the March hearing, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Ms. McDonald shows on the map on the overhead display the original boundary proposed by the Task Force, noting that as soon as the application was circulated for review and comment, concern was received from the City of Victorville (hereinafter "Victorville") and the City of Adelanto (hereinafter "Adelanto") about the proposed boundary. She says that discussions began among the staffs of Victorville, Adelanto and the Task Force to see if there was a boundary compromise that would ameliorate the concerns.

(It is noted that Commissioner Cox leaves the hearing at approximately 9:15 a.m.)

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Ms. McDonald reports that following much discussion and proposed modifications, the Task Force has requested that its December modification, which eliminates territory of concern in the original boundary related to the safety zone for the Southern California Logistics Airport (hereinafter "Airport") and also looks at development interests along the Mojave River, be utilized for further processing of the application. She says that the three proposed developments in the boundaries of the proposed CSD are Silver Mountain, Silver Butte and Palisades Ranch and says they will need to receive services of the CSD, noting that the modification was drawn in the manner to the south to include the whole of Palisades Ranch. She discusses concerns related to access into the communities of Helendale and Silver Lakes and says the boundary was drawn to include the area of the intersection of Shadow Mountain Road and Highway 395, which provides a paved access into the larger Helendale community. Ms. McDonald says LAFCO staff has participated in some of the meetings between the Cities and the Task Force; she says that after the last meeting there was no consensus on possible boundary modifications; and that Victorville and Adelanto still believe the boundary should be isolated to the Helendale School District boundary, while the Task Force does not believe that is reflective of the areas that would need to receive the CSD's services.

Ms. McDonald says staff is requesting that the Commission direct that the December modification boundary be utilized for further evaluation of the proposed CSD because it represents the community of Helendale that can be defined for the future; it does not violate land ownership or lines of assessment; and it is an area that will grow significantly in the next ten years and its developments will need organized services. She says this boundary is also the largest boundary to be evaluated as far as environmental review, which is important because of the timing for a future election, and says the Commission can, at a future hearing, reduce the boundary if it chooses. She discusses the timelines involved, as outlined in the March 6 staff report, stating that in order to accommodate a November 2006 election, the Commission must complete its deliberations by the first part of July. She reports that yesterday the County approved the formation of Improvement Zone FP-5 of County Service Area 70 to supplement fire funding for the Helendale area, providing another potential definition of the Helendale community. Ms. McDonald says the staff recommendation is that the Commission conduct the Workshop and direct staff to utilize the December modification boundary for its review and return to the Commission on June 21, 2006, for a full evaluation of the proposed CSD formation.

Commissioner Hansberger asks Ms. McDonald to review the School District boundaries and any overlaps. Ms. McDonald points out on the map displayed the boundaries of the Helendale School District, Adelanto Elementary School District, Victorville Elementary School District and Oro Grande School District, noting that the District that covers most of the Silver Lakes area is the Helendale School District. There is discussion about park and recreation services in the southern portion of the boundary, and Commissioner Hansberger discusses that he especially believes that services like park and recreation and school services should be kept together so that when children get out of class in the afternoon, they can go off and be in the same after school recreation-type programs. He asks for the reason why the boundary was extended by the small area in the south. Ms. McDonald says that boundary was drawn to include the whole of the Palisades Ranch development. She explains that the Task Force, at the request of LAFCO staff, used section lines, rather than the centerlines of streets, to address a boundary that is clearly definable by section lines, includes transportation corridors and entrances to the community—all things that would be important if the CSD evolved into a City.

Commissioner Pearson comments on the map displayed showing the topography of the area and says it appears that the land on the east side of the Mojave River particularly would be more suitable to be included in the boundary because of drainage issues, which he discusses was a factor that had precedence in the incorporation of the Town of Apple Valley and the development of its sphere. He notes an area on the west side that he says also has drainage features that would tend to bring it into the Silver Lakes area. Ms. McDonald points out an area that she says was excluded at LAFCO staff's request because it contains several Williamson Act contracts and is a Williamson Act Preserve.

Commissioner Nuaimi asks about the landownership on either side of Highway 395 and why they did not try to encompass more of Highway 395 to the northwest if they were looking to form boundaries that could support a future incorporation. Ms. McDonald responds that there are a mix of private and a

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few public ownerships south of Shadow Mountain Road. She says they were trying to take the boundary along section lines and she says that if the CSD is formed, within one year the Commission will need to look at developing a sphere for the CSD. She says the primary concern of the Task Force was to encompass the intersection of Shadow Mountain Road and Highway 395 which is very important as an entrance to their community.

Chairman Biane opens the hearing and calls on those wishing to speak.

Milo Stormo, Chairman of the Task Force, states he is speaking on behalf of the Task Force, over 500 people who signed the petition to form the CSD, and more than 20 people who donated funds to pay the application fee. Mr. Stormo requests that the Commission approve staff recommendation to direct that the December modification be utilized for review. He reports that all of the area within that proposed boundary drains through Helendale so it is a natural drainage and he says there is a water treatment plant operating there now at about half capacity.

Commissioner Colven asks whether Mr. Stormo feels they have exhausted all efforts in establishing this boundary or if he feels there may be further discussion and modifications. Mr. Stormo responds that he does not see any future modification but he says that is for the Commission to decide. He says what is important is that the Commission approve the boundary as recommended by staff so that the evaluation and environmental review can proceed on the larger boundary.

Craig Schneider, a member of the Task Force and resident of the Silver Lakes community, says he has a background in the golf course management business and is extremely concerned about the ability to monitor and maintain the water supplies and the efficient use of water. He asks that the Commission approve the proposed boundary so they can move forward to become a viable CSD and address the needs of the community and future development through local control for providing the required services. Commissioner Colven inquires whether they plan to have any recycling efforts. Mr. Schneider responds that there have been a lot of ad hoc discussions but he says there is a desire to see water from the wastewater facility to be utilized judiciously in the community to supplement recreation needs.

Tristan Pelayes, volunteer legal advisor to the Task Force and President of the Silver Lakes Homeowners' Association, thanks staff for the job it has done in arriving at the December modification which he says is the best possible complement to the community of Silver Lakes. Mr. Pelayes says he hopes he will be given an opportunity to answer questions of anyone who may be present in opposition to this boundary. He asks that the Commission approve staff recommendation.

Joe Jarvies of the Palisades Ranch development, says there was concern about why the CSD's boundary comes down like it does in the south and he explains that Palisades Ranch is a large development including about 2,000 acres, and they wanted the whole of the Ranch in the proposed CSD. He says the Task Force was put together because of the concerns of the citizens in the area about services, such as schools, water and sewer; and he says Palisades Ranch is also concerned about these same issues. Mr. Jarvies says that Victorville and Adelanto have indicated that they do not want the Airport violated in any way as far as residential development in the northern area of the Ranch. He says that at the last meeting with the Cities and the Task Force, Palisades Ranch indicated it will be happy to work with the Cities and does not have a problem with developing that area in the north into commercial and light industrial uses if that will be compatible with Victorville. He points out on the displayed map the areas where the residences will be and says they want to put in walking, bike riding and horse riding trails that will encircle the whole area of the Ranch. He says park and recreation facilities are also needed out there and they are working with the Oro Grande School District and the Task Force to see what can be done about getting a high school in that area.

Commissioner Pearson asks how far the southern point of Palisades Ranch is from the Airport runway. Mr. Jarvies responds that it is about four and a half miles. Commissioner Pearson discusses concerns about the noise factor but says that may not be much of a factor if the residential development stays away from the mesa plateau above the Ranch to the west. Mr. Jarvies says there could be some noise

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factor out at the top of the mesa but he says if that becomes a commercial/industrial area, there will be no problem because the houses will be down along the Mojave River.

Robert Shestek, a property owner in Helendale in Silver Lakes and Chairman of The Committee Opposing the Helendale CSD, says he is here today just to announce the fact that they will be participating in the future discussion and will provide information as to why they are opposed to the CSD's formation. He says the Committee has already met with LAFCO staff and appreciates their help.

Jim Hart, City Manager of the City of Adelanto, says they have had some very good discussions with the Task Force and Victorville to try to resolve issues, but they are at a point where some of the final issues cannot be resolved. Mr. Hart says the original boundary line blocked any possibilities for Adelanto and Victorville to expand their spheres to the north. He says original discussions were to move the southerly boundary north to the School District boundaries and that all parties would then be pretty much in agreement, but he says the boundaries were redrawn as presented today. He says Adelanto's concern is that the original boundary did not come all the way over to Highway 395 or encroach into the area that Adelanto potentially would want to control some time in the future. He shows where the Adelanto School District boundary lies and says it makes some sense that Adelanto and its School District have coterminous areas to control. He also notes the boundary of the new improvement zone for fire protection mentioned earlier. Mr. Hart says that in meetings with the Task Force, Adelanto indicated that they were willing to work with the Task Force to share control of the intersection at Highway 395 and Shadow Mountain Road to ensure access to their community is not blocked. However, he asks that the Commission consider the fact that the proposed boundary crosses Highway 395, overlaps the Adelanto School District, and blocks the ability of Adelanto to plan to move north to provide services and commercial needs along that part of Highway 395. Mr. Hart says they also support Victorville's concerns about development in the Palisades Ranch potentially blocking the Airport's ability to provide necessary services. He says that while they appreciate that the Task Force has indicated what the zoning will be in that area, the concern is that the County controls what that zoning will be and they will need to see if the County is favorable for creating commercial or industrial zoning in that area so that there are no problems for the Airport operations.

Commissioner Pearson asks Mr. Hart if the portion of the boundary on the west side of Highway 395 was somewhat adjusted, whether that would take away a lot of Adelanto's concerns. Mr. Hart responds that it would, but he says they still share some of Victorville's concerns with the boundaries. Commissioner Hansberger discusses that he feels the boundary was drawn as it is so the CSD would have the opportunity to incorporate in the future.

Doug Roberts, Deputy City Manager of the City of Victorville, says they applaud the Task Force and community of Helendale for wanting to get local control and support them in that effort. However, he says the Commission has received the City's letter indicating concern for any portion of the CSD to extend south of the Helendale School District line. He says that concern has not been adequately addressed at this time and they await the Commission's decision on the map before the issue is taken back to the City Council for further direction.

Commissioner Pearson says he thought he saw somewhere in the paperwork he received, and asks for confirmation, that Victorville does not have any particular interest in the development of the Palisades Ranch area but wants to keep it under Victorville's control. Mr. Robertson responds that Victorville has an interest in that area developing in a manner that is appropriate with surrounding an Airport. He says if the property owner wants to develop the property, the City would want to support that development. Commissioner Pearson asks whether that means Victorville would go along with commercial/industrial enterprises mentioned earlier up in that area and Mr. Robertson responds that would be an appropriate use. Commissioner Nuaimi asks if the County designated that land use there, whether Victorville would pull its opposition to this boundary and Mr. Robertson responds that he cannot answer that without going back to his Council. Commissioner Nuaimi comments that he thinks the debate on school district boundaries is somewhat an innocuous standard because all communities are served by multiple school districts and he says it would be nice if the school districts would work to modify their boundaries. Commissioner Williams concurs.

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Chairman Biane calls for further speakers. There are none.

Ms. McDonald says staff is requesting direction from the Commission on a boundary to be evaluated and on which to conduct the environmental review. She says there will be further discussion of the boundary and more specific detail related to service delivery at the next hearing. She points out that this larger boundary gives the Commission the ability to reduce it in the future if it desires; however, she says if an expansion of the boundary were proposed, there would need to be additional environmental analysis and the matter would have to be readvertised.

Commissioner Sedano says he thinks the presentations from both sides and from staff have been excellent. He says he thinks the Task Force has bent over backwards to accommodate Victorville and Adelanto; that they have adjusted their boundaries twice now; and that he is surprised that some people in Helendale are opposed to the CSD, and that he will be anxious to hear from them. He says he thinks the boundary recommended by staff is acceptable, noting that it can be reduced if necessary. He says it appears that everyone is working together so he does not know whether the area west of Highway 395 would be a significant problem in the future. He encourages the Commission to approve staff recommendation.

Commissioner Hansberger says if he were making a motion, he would urge that staff recommendation be approved for purposes of a study area. He says he is concerned that the boundary is over 100 square miles and is way too large. He says he has concern about including at this point in time the roughly 25 square miles in the northwest that appear to have no real relationship to this area and says they should take a hard look at where the northwesterly boundary should be. He says he is concerned about the relationship of school district boundaries and he would like more discussion about if this area was to one day become a city, the sense of community that exists when the community and school district boundaries are coterminous. He says the development of the Airport is important for the economy of the region and who controls entering and exiting that area with air traffic needs to be discussed. He also says that the issue of noise, even though the Airport is miles away, needs to be looked at in the planning process. He says all these issues should be looked at in deciding what the ultimate boundary will look like.

Commissioner Pearson moves staff recommendation to utilize the December modification boundary for the review process for the proposed formation of the Helendale CSD, seconded by Commissioner Nuaimi.

Chairman Biane says he believes it is appropriate to move forward with the staff recommendation for further study and says he hopes that concerns expressed this morning by Commission members will be addressed. He says he shares views expressed by Commissioners Nuaimi and Williams and says he agrees with the comment that a discussion of school district boundaries is not needed in this decision. Commissioner Williams says that school district boundaries have no bearing in this discussion and she says experience has taught that. Commissioner Hansberger points out that in their communities, the cities control all the park and recreation activities, but he says that is not true in other places. He discusses the problem throughout parts of the County where there are separate school districts and park districts that do not coordinate programs so there are not good after school services for children. Commissioner Williams notes that he does have a good point. Commissioner Nuaimi says that is why it is important that the Commission do everything it can to set up success for a future incorporation, because he believes that once a city is incorporated, it will work with the school districts for those types of after school programs.

Chairman Biane calls for further discussion; there is none. He calls for any objections to the motion. There being none, the vote is as follows: Ayes: Biane, Colven, Hansberger, Nuaimi, Pearson, Williams. Noes: None. Abstain: None. Absent: Cox.

(At 10:15 a.m., it is noted that Commissioner Hansberger leaves the hearing and Commissioner Cox returns to the hearing.)

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CONTINUED FROM MARCH 15, 2006 – REVIEW AND ACCEPT AUDIT REPORT FOR FISCAL YEAR ENDED JUNE 30, 2005 – APPROVE STAFF RECOMMENDATION

LAFCO reviews the Audit Report for Fiscal Year 2004-05. This review is continued from March 15, 2006. Notice of the original consideration of this review on March 15, 2006, was advertised as required by law through publication in The Sun, a newspaper of general circulation in the area. Individual mailed notice was provided to affected and interested agencies and County departments.

Executive Officer Kathleen Rollings-McDonald presents the staff report, which includes a copy of the staff report from the March 15 hearing, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Ms. McDonald reports that this is the first time the Commission has received an outside audit and she says the Commission has a three-year contract with Moreland & Associates. She says the staff recommendation is that the Commission receive and file the material submitted by Moreland & Associates related to its audit for Fiscal Year 2004-05.

Commissioner Pearson moves approval of staff recommendation, seconded by Commissioner Colven. Chairman Biane calls for any objections to the motion. There being none, the vote is as follows: Ayes: Biane, Colven, Cox, Nuaimi, Pearson, Williams. Noes: None. Abstain: None. Absent: Hansberger.

DISCUSSION ITEMS

CONSIDERATION OF REQUEST FOR OVERRIDE OF COMMISSION POLICY RELATED TO DEFERRAL OF PROCESSING APPLICATIONS FOR PROJECTS PENDING SETTLEMENT OF LITIGATION FOR LAFCO 3053 – SPHERE OF INFLUENCE REVIEW (EXPANSION) FOR CITY OF SAN BERNARDINO (ARROWHEAD SPRINGS SPECIFIC PLAN AREA) AND LAFCO 3050 – REORGANIZATION TO INCLUDE CITY OF SAN BERNARDINO ANNEXATION NO. 360 (ARROWHEAD SPRINGS SPECIFIC PLAN AREA)

LAFCO conducts a public hearing to consider a request for the Commission to override its policy to await completion of environmental litigation prior to conducting the public hearing to consider LAFCO 3053 and LAFCO 3050. Notice of this hearing has been advertised as required by law through publication in The Sun, a newspaper of general circulation. Individual notice of this hearing was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Ms. McDonald provides the background information, as outlined in the staff report, related to a request that has been received from the City of San Bernardino (hereinafter “the City”) and the American Development Group, Inc., the developer of the Arrowhead Springs Specific Plan, for the Commission to override its existing policy to await completion of the environmental litigation filed against the Specific Plan’s Environmental Impact Report (hereinafter “EIR”) prior to conducting the public hearing to consider the City’s sphere and reorganization proposals. She says the City’s basis for its request for the override of the policy is that the California Environmental Quality Act (hereinafter “CEQA”) requires the Commission to accept environmental documents that have been certified by the lead agency as adequate until a court overrides that position. She says staff and Commission practice has been to await resolution of environmental litigation prior to beginning the Commission’s official consideration of an application. She says this practice came about not based on the cost for processing the proposals and responding to environmental litigation, but based on concerns related to service confusion that will result if the environmental documents are overridden. She says she also wants to make it clear that staff has begun processing both applications, since letters received from both the City and the developer indicate concern that staff has not been processing the applications.

(It is noted that Commissioner Hansberger returns to the hearing at 10:20 a.m.)

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As outlined in the staff report, Ms. McDonald discusses the two occasions where annexations were completed and the court subsequently determined that the environmental documents were deficient and required further environmental review to be conducted. She discusses the resulting confusion for many elements of government providing service that occurred from detaching the areas from the city and placing them back into the County service entities, such as law enforcement, fire protection providers, changes to the 911 dispatch system, property tax distribution and other revenues which are apportioned either at the State or local level. She says that confusion was the impetus for this policy declaration and that staff recommends that the Commission adhere to its policy.

Ms. McDonald discusses that in the past, the Commission has overridden its policy for a City of Rancho Cucamonga annexation with a condition of approval applied that if a court determined that the environmental documents were inadequate, the City agreed to contract with the County to continue to provide services until the environmental litigation was resolved. She says that if the Commission chooses to override its policy today, it should indicate its intent to include that same type of condition for the reorganization proposal. She notes that the Commission has been presented today with a letter from the Center for Biological Diversity, the group that is suing the City over the EIR for the Arrowhead Springs Specific Plan, indicating that the Center strongly agrees with staff recommendation that the Commission adhere to its policy. She says a copy of the lawsuit filed related to this project has also been provided to the Commission. Ms. McDonald says that staff's first recommendation is that the Commission deny the request for a waiver of its policy to await completion of the environmental litigation to prevent any potential confusion. However, she says that if the Commission decides to override its policy, staff recommends that the Commission provide notice to the City and developer of its intent to direct staff to include a condition of approval regarding contracting with the County for continued service, should the litigation be successful.

Chairman Biane comments that these proposals are moving forward but he does not see anything in the staff report regarding the Commission's policy for cities to initiate annexation of their islands. Ms. McDonald says that was not addressed at this time because staff was simply addressing the issue of the override. She says staff has reviewed with City staff questions regarding the City's islands and the Commission's position that with development-related application, the City will be required to initiate annexation of its islands. She says the City is making an effort to put forward a position it is comfortable with in adhering to the Commission's policy declarations about annexing as many islands as possible while the legislation is in effect. But she says that is not part of this issue today. Chairman Biane says that if the Commission overrides its policy, he does not want to see these applications until he sees applications for annexation of the City's islands. Ms. McDonald says the Commission could override its environmental litigation policy with direction to staff and the City that when the Commission sees the Arrowhead Springs annexation it also wants to see the island annexations.

Commissioner Nuaimi points out that they are getting close to the deadline for when cities have to have their island annexation applications before the Commission in order to be processed in time to take effect. Ms. McDonald says those applications will need to be submitted by June since the legislation indicates that the annexations must be initiated, processed and completed prior to January 1, 2007. She explains that processing time is the key due to the property tax transfer process which is a 60-day period and which cannot be started until an application is circulated and information is received upon which to base that process.

Chairman Biane opens the hearing and calls on those wish to speak.

Ileene Anderson, an Ecologist for the Center for Biological Diversity, urges the Commission to support the staff recommendation to deny the request for a waiver of its policy. She says the Center's letter sent on April 14 outlines that if the litigation prevails, it will result in substantial changes to the proposal, so they feel any consideration of the annexation would be premature.

Patrick Morris, Mayor of the City of San Bernardino, says the City is requesting that the Commission waive its policy to await the outcome of the litigation filed by the Center for Biological Diversity. He says there has been an extensive environmental review by an independent consultant and extensive public

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hearings on the EIR, and they believe there is no merit in the litigation that has been filed. He says this request by the Center's attorney is an attempt to get what they could not get in court—an injunction or stay. Mayor Morris says they are willing to accommodate LAFCO's demands in every way and ask for the same waiver that was given the City of Rancho Cucamonga. He says they are willing to indemnify the Commission for all costs and are willing to include the proviso that if, in the remote chance the Center's litigation is successful, the City will continue to serve the area. He discusses that the City is proceeding with dispatch to process applications for annexation of 13 islands and says they are hiring special staff to meet the challenge to process the applications quickly so they can incorporate these areas into the City while the legislation is still on the table. He says that as a return favor, they are asking that the Commission give them the opportunity to proceed with their proposals because the time is ripe for development; that the developer has been ready for some time and the delay caused by the Center's complaint is costing the City and the developer. He says the Center had an opportunity when it filed litigation to ask for an injunction, if facts were in its favor; but he says the Center did not do that. He again asks that the Commission give the same exception to the City that it did to Rancho Cucamonga.

Commissioner Sedano congratulates the Mayor on his election, stating that he is very happy that he is his Mayor. He asks for clarification that the City does plan to annex its unwanted islands. Mayor Morris says he and City staff met with Ms. McDonald and LAFCO Legal Counsel Clark Alsop this week regarding annexing the islands and he says the City is prepared to move forward. Commissioner Sedano says he understands that the City does not want some of those areas but he says the City needs to provide them services. He says that based on what he has heard so far, he has no problem with allowing the City's proposals to move forward.

Henry Empeno, Senior Deputy City Attorney, says they believe that LAFCO's deferral of the City's applications solely because of pending CEQA litigation (Center for Biological Diversity, Petitioner vs. City of San Bernardino, et al., Respondents, and American Development Group, Real Party in Interest, SCVSS132463) would violate State law, specifically Public Resources Code Section 21167.3 and the CEQA Guidelines at Title 14, California Code of Regulations Sections 15231 and 15233. Mr. Empeno notes that the City was not aware of and has not received a copy of the letter presented this morning to the Commission from the Center for Biological Diversity. He says he has discussed these legal issues with Mr. Alsop and gave him a copy of the legal authorities he will be citing. He quotes from the CEQA Guidelines, specifically at Section 15231 of the California Code of Regulations, Title 14, and says that in this case, the City of San Bernardino, prior to certifying the Final EIR, consulted with LAFCO; that LAFCO is a responsible agency; and that LAFCO should follow the requirements of this State law. He discusses Section 15233 which provides that if a lawsuit is filed challenging an EIR for noncompliance with CEQA, a responsible agency shall act as if the EIR complies with CEQA and shall continue to process the application for the project according to the time limits contained in Government Code Section 65952. He adds that subdivision (b) provides that if no injunction or stay is granted in the lawsuit, the responsible agency shall assume that the EIR fully meets the requirements of CEQA and that the responsible agency shall approve or disapprove the project in the time limits described in Article 8 commencing with Section 15100 of the Guidelines and described in Section 65952. Mr. Empeno reports that in this case, no injunction or stay has been issued by the court and he says the petitioner has not even requested that the court issue an injunction or stay. He says that the City feels that because of these statutory requirements, LAFCO cannot validly, solely because of the pending lawsuit, defer the City's applications and that the City respectfully requests that the Commission grant the request to override its policy.

John Nolan, an Attorney with Gresham, Savage, Nolan and Tilden, says he is primarily here to speak on behalf of the developer but says he is also the Attorney representing the City and the developer in the CEQA litigation Mr. Empeno has referred to. Mr. Nolan says he wants to explain why the statutes read as they do. He says a CEQA lawsuit can be filed by anyone and does not require any preliminary showing, so while many are filed, only a limited number result in success for the applicant. He says the Legislature has set out a number of protections for municipalities and developers because it recognized that CEQA litigation is both time consumptive and frequently advanced by people with animosity against a project. He points out that a delay in a construction project is expensive to the developer, the City, and the end users of the project. He says there is a mechanism in CEQA statutes that allows a proponent of a CEQA lawsuit to get an injunction, but he explains that typically part of the consideration for an

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injunction or stay is that a bond must be posted to hold them harmless for any damage that may have been caused if the party filing the lawsuit proves to be wrong and causes the other party of a lot of money due to the project being held up. He says that by supporting staff recommendation, the Center is trying to get a "free of bond charge" injunction. He says that if the Commission's policy were to be implemented, they could be talking about a one and a half to two year delay in this project. He asks that the Commission not allow the Center to operate through the Commission in a mechanism adverse to the system set up by the court to provide protection for all parties.

Chairman Biane calls for further speakers. There are none and he closes the hearing.

Commissioner Hansberger says he believes this area needs to be processed through the City and needs to be under one jurisdiction for processing since the City will be the ultimate serving entity. He says he thinks the waiver should be granted, with the condition that has been talked about. Commissioner Williams states that she agrees. Commissioner Nuaimi asks for Mr. Alsop's feedback on the Commission's policy and its imposition given what they have heard today.

Mr. Alsop states that the Commission is a creature of the Legislature, operating at the local level, and he says the Legislature, through the Government Code, has provided that the Commission has certain timeframes within which to bring any application to hearing and certain timeframes within which it can continue an application. He says another section says that all the timeframes are directory, not mandatory, and the Commission has in the past taken a much longer time on an application. He says this is a matter of policy discretion for the Commission to decide. He says he disagrees that the Commission is obligated to go in one direction or the other and he thinks it has the discretion to make that decision.

Commissioner Cox says they all have seen examples in their local jurisdictions where environmental interests caused great impediments to projects that are to serve the public good and she says she thinks this is possibly one of those cases. She says that she finds the power that environmental entities in this State have of great concern because it ultimately costs the public and she would be in favor of supporting a waiver.

Commissioner Hansberger moves that the Commission waive its policy to await the outcome of the environmental litigation related to the City's applications; to require that the City indemnify and hold LAFCO harmless in this matter; and that the City file a request for its island annexations. Commissioner Cox seconds the motion. Commissioner Nuaimi asks if the motion includes the language for the condition requiring the City to continue to provide service to the area in the event that the CEQA lawsuit is upheld and the project is stalled. Commissioner Hansberger states that it does.

Chairman Biane asks if there are any objections to the motion as clarified. There being none, the vote is as follows: Ayes: Biane, Colven, Cox, Hansberger, Nuaimi, Pearson, Williams. Noes: None. Abstain: None. Absent: None.

Commissioner Hansberger says he believes that staff made the appropriate recommendation based upon direction it has received from the Commission in the past. He says he did not want to imply that the Commission took this alternate direction because it disagreed with the way that staff conducted its responsibilities. Commissioner Colven says that he agrees and adds that based on Mr. Alsop's comments, he believes that since the Commission made the rule, it has the latitude to go around it. Ms. McDonald says staff was responding to the situation according to the Commission's policy, but gave another option should the Commission decide to use it. Commissioner Sedano says that Ms. McDonald did a great job and he says he does not go against staff recommendation very often.

**PRELIMINARY REVIEW OF BUDGET MATTERS FOR FISCAL YEAR 2006-2007 – REVIEW OF
PROPOSED FEE SCHEDULE – APPROVE STAFF RECOMMENDATION**

LAFCO conducts a public hearing for the preliminary review of the proposed Schedule of Fees and Charges for Fiscal Year 2006-07. Notice of this hearing has been advertised as required by law through

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publication in The Sun, a newspaper of general circulation. Individual notice of this hearing was provided to affected and interested agencies, County departments, all cities/towns and independent special districts, the County, and those agencies and individuals requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Ms. McDonald states that eight primary changes to the Schedule of Fees and Charges (hereinafter "Fee Schedule") are outlined in the staff report. She reports that for the Environmental Review and Registrar of Voters deposits, staff is proposing that a portion of the deposits be non-refundable to accommodate the cost for staff's initial processing upon receipt of the application. She says a new fee deposit for Legal Counsel charges has been included for the actual costs of Legal Counsel review and that a policy has been proposed for determining what amount will be charged the applicant if Special Counsel is required. She says the sphere of influence amendment fee structure has been clarified so that if a sphere expansion is proposed as part of a service review, the applicant will pay for that. She says the fees for the consolidation of special districts and the deposit for island annexation proposals have increased. In response to inquiry of Commissioner Pearson, Ms. McDonald says that the County Surveyor will make the percentage determination of any island that is not totally surrounded and she says that any island that is not totally surrounded is charged the larger deposit. She notes that for any island annexation proposal that is submitted, staff's emphasis will be to make every effort to see that it is completed before the sunset date.

Ms. McDonald says the staff recommendation is outlined on page one of the staff report and includes that the Commission: (1) review the proposed modifications and provide staff with direction on changes, corrections or amendments to be included; (2) review the proposed policy amendments and additions related to implementation of the Fee Schedule and provide staff with direction on changes, corrections, or amendments to be included; (3) direct staff to forward the Fee Schedule and Implementation Policies to the County, all cities/towns and all independent special districts for their review and comment pursuant to Government Code Section 66016; and (4) schedule the final review and adoption of the Fee Schedule and the implementing policies for the May 17, 2006 hearing.

Commissioner Hansberger comments that he was surprised to see the discussion about moving the meeting place. He says he does not remember anyone coming to the County and asking for help. Ms. McDonald says that issue will be discussed with the next item.

Commissioner Nuaimi moves approval of staff recommendation, seconded by Commissioner Colven. Chairman Biane calls for any objections to the motion. There being none, the vote is as follows: Ayes: Biane, Colven, Cox, Hansberger, Nuaimi, Pearson, Williams. Noes: None. Abstain: None. Absent: None.

PRELIMINARY REVIEW OF BUDGET MATTERS FOR FISCAL YEAR 2006-2007 – REVIEW OF PROPOSED BUDGET—APPROVE STAFF RECOMMENDATION

LAFCO conducts a public hearing for the preliminary review of the Proposed Budget for Fiscal Year 2006-07. Notice of this hearing has been advertised as required by law through publication in The Sun, a newspaper of general circulation. Individual notice of this hearing was provided to affected and interested agencies, County departments, all cities/towns and independent special districts, the County, and those agencies and individuals requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Ms. McDonald says the Commission has been presented this morning with two spread sheets that show the estimated apportionments of the LAFCO costs for the cities/towns and special districts. She discusses the chart of the activity levels shown on the overhead display and says two more applications have been received since its preparation. She says the proposed budget requests several policy items. The first policy item she discusses is a change in the Commission's hearing location to the City of San Bernardino Council Chambers. She says staff talked with the County staff regarding replacing the seats in these Hearing

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Chambers but was told that there was no funding in the Capital Improvement Program. She says there are also issues in these Chambers with the sound system and availability of technology. She says staff looked at the County Board of Supervisors Chambers but the dais does not accommodate the voting members of the Commission; and that staff looked at the Feldheim Library, which would require the purchase of a sound system and other things. She discusses the advantages of using the San Bernardino City Council Chambers and says staff is recommending that the Commission authorize the move of its monthly hearings to the Chambers of the City of San Bernardino beginning in June 2006, on the same day and time as the meetings are currently held, and authorize her to execute the contract to provide for payment of 13 months at a cost of \$650.

Ms. McDonald discusses Policy Item 2, a move to outside office space, and Item #3, the addition of staff, as outlined in the staff report. She discusses that staff has tried to accommodate the increased workload, the noticing requirements and the use of new technologies for presentations with the existing staff and says it is not working out well. She says it is staff's position that two additional positions are needed: an office assistant position and a GIS Tech. However, she discusses the limitations of the existing office space and says staff is also recommending that the office move to a facility located at 215 D Street. She says that building also houses the County's Economic Development Agency (EDA), Redevelopment Agency (RDA), and Workforce Development Department, so staff will have access to the County systems; but she says the office space will cost \$1.49 a square foot as compared to the less than \$.50 per square foot the Commission now pays. She says an additional advantage to moving to this facility is the ability to share a contract with the EDA for a GIS Tech II position. She says the staff report outlines that an estimated cost for the first year for a GIS Tech II, including an office area, hardware and software to perform the functions would be almost \$80,000. But she says the cost for sharing such a position with the EDA will be about \$33,000 a year. She also notes that staff would have access to a system purchased by the EDA and RDA for mass mailings, which will reduce mailing costs by about five cents a piece.

Commissioner Hansberger discusses that the mailing function Ms. McDonald was talking about has to do with a contractual arrangement, not with location. He says that in today's world, things can be electronically transmitted to other locations. Ms. McDonald says it is possible that these arrangements could be made even if the LAFCO office were in a different location but she discusses the convenience of being able to walk across the hall and use those facilities. Commissioner Hansberger says the bigger issue is whether staff has adequate work space or whether it can be made adequate to accommodate staff's needs. He says his other concern is the proximity of staff to the hearing chambers. He says it is desirable to have the staff office and chambers in the same place, but not essential.

Chairman Biane states that he has worked closely with Ms. McDonald and says this recommendation has his absolute concurrence. He says these chambers are very dysfunctional for the era they are operating in and he wholeheartedly supports relocating to the City. Commissioner Hansberger says his first concern is disjoining the staff from the meeting location. He discusses his second concern that if the Commission is sitting in the City of San Bernardino Chambers, with the City's logo showing in the backdrop, and is talking about an issue related to the City, the perception of people who may be opposed to the matter is that the Commission has already made a deal with the City. He says if he had his way, they would meet somewhere that is sufficiently independent so that no one could raise that issue, but he says they do not have that luxury. He also comments that security is an issue, and he feels much safer in these hearing chambers than he would at the City.

Commissioner Cox says a couple of things came to mind when she saw the City Chambers. First, she says she derives extreme value from the interaction and contribution of the Alternate Members who share the dais currently, noting that she particularly values the comments shared by Commissioner Sedano. She says if the Alternates are sitting in a separate location, she does not think they will be as engaged as they are now and she would miss that if they change to the City's venue. She also comments that the other Commissioners do not have to do the "rubbernecking" that she and Commissioner Curatalo have to do now to see the presentations; and she says if they move to the City Chambers, they all will be doing that. She suggests that as an alternate location they look into using the transit center that SANBAG utilizes, noting that although it is an older facility, they might be able to work around some of the

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audiovisual challenges. Ms. McDonald explains that in the City Chambers, there are screens in front of those sitting at the dais so they can see what is being projected behind them.

Commissioner Williams says that although it might be a little inconvenient for the office to be at a different location from the hearing chambers, as Commissioner Hansberger mentioned, most things are just a button away and that could be easily overcome by setting up a table that could be a temporary information booth during the hearing time.

Commissioner Pearson points out that the Commissioners only concern themselves with this operation one day a month, but he says staff deals with the public every day and they need to find the best place for the staff, with the increase in staff proposed, where it can do its job effectively and keep the paperwork and projects moving. He says where the Commission meets is secondary as far as he is concerned and that the number one issue is to find an adequate and technologically-associated workspace for staff to work in.

Ms. McDonald says that staff believes that this move and the associated contracts will accommodate the staff for the future. She says the workload is not just a spike in activity and that staff must be accommodated so that the Commission's work can be processed as quickly and effectively as possible, which is the basis for this recommendation.

Commissioner Hansberger comments that Commissioner Cox's idea about using SANBAG's location is interesting, but he says it could not be facilitated quickly, so it is not an immediate solution. But he says there is office space available there and they could work with SANBAG on some of the technology there. He discusses that it might be something worth exploring for the future. Commissioner Nuaimi says he will echo Commissioner Pearson's comment that the first response is to ensure that staff has adequate facilities, not only to do its job, but to attract staff that will be needed to continue doing the job. He asks whether the proposed facility gives adequate space for the staff to grow, beyond the requested new positions. Ms. McDonald responds that it does. Commissioner Nuaimi says staff has determined that it cannot grow in its current facility so he thinks the Commission has no choice. He says the Depot, where SANBAG is, "is a pit" and that people in the audience cannot hear what is being said because of the trains. He says that in talking to SANBAG staff, they indicate that the noise at that facility is unbearable for conducting business at times and he does not want to subject the LAFCO staff to that. He says if staff has made a determination based on its search of the office market and wants to move to the facility it has recommended, he thinks the Commission should support that. He also says he has no problem with using the City of San Bernardino's Chambers and they can try to cover its logo. He adds that he likes the idea of having an opportunity for the Commission to expand its visibility audiovisually, which he says is a good way to educate people on the role of LAFCO.

Ms. McDonald discusses Policy Item #4 and asks that the Commission authorize staff to negotiate with Laserfiche to purchase a system for archiving the Commission's records. She says the Commission is also being asked to approve a cost-of-living adjustment of 3% for the two LAFCO Analysts, the Clerk to the Commission and the Deputy Clerk to the Commission.

Ms. McDonald says the staff recommendation is outlined on pages one and two of the staff report and includes that the Commission, for Fiscal Year 2005-06, approve a transfer of \$10,000 from contingency to the 1000 Salaries account to compensate for increased costs and, for Fiscal Year 2006-07: (1) approve a 3% cost-of-living adjustment for LAFCO employees, excluding the Executive Officer; (2) adopt Resolution No. 2918 providing for modifications to salary ranges to provide for the cost-of-living adjustments; (3) approve the listed Policy Items and related direction to staff; and (4) schedule a public hearing for May 17, 2006 for the formal adoption of the Final Budget and direct staff to forward the Proposed Budget to all the independent special districts, cities/towns and the County for comment pursuant to Government Code Section 56381.

Regarding the use of the City Council Chambers, Commissioner Hansberger suggests that staff get a commitment for the Commission's hearing dates on the Chamber calendar because he is aware that the

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City Council periodically holds meetings on Wednesdays for various purposes. Ms. McDonald states that has already been done.

Commissioner Pearson suggests that with all the different types of things that are going on, some kind of formalized training for the Commissioners might be considered. Ms. McDonald responds that staff can look into that.

Commissioner Nuaimi moves approval of staff recommendation, seconded by Commissioner Cox. Chairman Biane calls for any objections. There being none, the vote is as follows: Ayes: Biane, Colven, Cox, Hansberger, Nuaimi, Pearson, Williams. Noes: None. Abstain: None. Absent: None.

PENDING LEGISLATION REPORT

Ms. McDonald presents the staff report on pending legislation, a copy of which is on file in the LAFCO office and is made a part of the record by reference herein. The March Legislative Report is attached to this month's report since staff was unable to provide the report last month. Ms. McDonald provides information on AB 3074, the CALAFCO-sponsored Omnibus Bill, and notes that requests for changes have been removed from that bill, including the extension of the island annexation provisions to January 1, 2014. She says there is some movement at CALAFCO to look at possibly asking that another bill include that extension, but she says part of the concern expressed was that this legislation was not really being used. She says she has responded to CALAFCO was that the legislation was not that useful when the acreage was at 75 acres, but that the increase to 150 acres has opened a new window, but only for a year and a half.

(It is noted that Commissioner Hansberger leaves the hearing at 11:30 a.m.).

In response to inquiry of Chairman Biane, Legal Counsel Clark Alsop explains that the Omnibus Bill is supposed to be a consensus bill of non-controversial issues and that some people feel that island annexations that eliminate protest is a bad thing. He says the rationale was not that the legislation should not be extended, but that it should not be included in a consent-type bill. Ms. McDonald says CALAFCO needs to find someone to move forward on this and she says she did respond to the person handling legislation now for CALAFCO and outlined this Commission's use of this provision since the acreage was increased. Mr. Alsop explains that part of the problem is that CALAFCO does not currently have a Legislative Committee Chair to really push legislation for CALAFCO. He says this will be discussed at the CALAFCO Executive Board meeting on Friday and Chairman Biane says he will carry this Commission's message there Friday.

Ms. McDonald states that last month's Legislative Report included discussion about a recent lawsuit where Placer LAFCO sued Nevada LAFCO over an issue of a municipal service review/sphere update for a multi-county district. She says the court decision indicates that the principal county will determine the sphere of influence. She discusses that staff is concerned that this judicial decision requires a LAFCO in another county to decide the planning area for multi-county agencies, without any mandates for coordination with another LAFCO on the decision. As outlined in the March 6 staff report, she says that this Commission's operation has been that the LAFCO of the county in which the territory lies determines the sphere of influence and she discusses that Riverside and San Bernardino LAFCOs have successfully operated under this principle for many years and they do not want to change how this has worked. She says staff is requesting that the Commission provide direction to work with the CALAFCO Legislative Committee to propose statutory clarification that the sphere should be determined by the LAFCO in which the territory lies or that, for a multi-county agency, the principal county should be mandated to coordinate with the home LAFCO and give serious consideration to its determinations.

Commissioner Williams moves to direct staff to work with the CALAFCO Legislative Committee to propose the requested statutory clarification, seconded by Commissioner Pearson. Chairman Biane calls for any objections to the motion. There being none, the vote is as follows: Ayes: Biane, Colven, Cox, Nuaimi, Pearson, Williams. Noes: None. Abstain: None. Absent: Hansberger.

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EXECUTIVE OFFICER'S ORAL REPORT

Ms. McDonald states the Commission has been presented today with a notice from the Center for Biological Diversity that it intends to file suit against LAFCO on its decision related to the San Bernardino Valley Water Conservation District (LAFCO 2919). She says they have also received an announcement that the CALAFCO Annual Conference will be held in San Diego September 5-7, 2006. She reports that Commissioner Luellig did not seek reelection to his Alternate City Member position and he informed staff that he did not intend to attend further hearings due to his pending recall issue. She says he wanted to extend his thanks to everyone for their camaraderie during his stay and that he enjoyed his participation on the Commission.

Ms. McDonald reports that staff is trying to put as many non-controversial items on the Consent Calendar as possible. She notes that the June 21 agenda will include the proposed Helendale CSD formation. She reports that notice has been received that the Bloomington Incorporation Commission has started circulating petitions for incorporation. She says staff has received notice that the City of Barstow intends to annex "thousands" of acres. She reports that staff is working on the service reviews but says it is taking longer than expected and that staff will be meeting with several agencies who have failed to turn in their MSRs, such as the Hesperia, Adelanto and Victorville agencies. She says the island annexation applications that are received will be staff's paramount concern in order to get them processed and completed prior to the sunset date.

Ms. McDonald reminds the Commission that the staff office will be closed April 26-28 while staff is attending the CALAFCO Staff Workshop.

COMMISSIONER COMMENTS

Chairman Biane notes that the Commission will change next month, with Larry McCallon coming on as the Regular City Member and Diane Williams becoming the Alternate City Member.

Commissioner Cox reports that the Special Districts Selection Committee on Monday night attempted to hold an election for the Regular and Alternate Special District Members of the Commission; however, they were unsuccessful in reaching a quorum. She says there will now need to be a mailed ballot election. Because of the workload and the continuity on this Commission, she says she would encourage the Commissioners to contact their local special districts and share their support for the incumbents. She says she knows Mr. Curatalo is being challenged but is not sure whether Mr. Colven is.

COMMENTS FROM THE PUBLIC

Chairman Biane calls for comments from the public. There are none.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE HEARING IS
ADJOURNED AT 11:45 A.M.**

ATTEST:

DEBBY CHAMBERLIN
Clerk to the Commission

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PAUL BIANE, Chairman